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United States Department of State

March 13, 1986

Washington, D.C. 20520

BUREAU OF OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

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MEMORANDUM

B1, 1.4(B), 1.4(D)

S/NP - Ambassador Richard T. Kennedy

FROM:

TO:

OES- John D. Negroponte

SUBJECT:

Taiwan Research Reactor (TRR) Spent Fuel

In June 1982 agreement was reached with the authorities on Taiwan on a project to move all TRR spent fuel to the U.S.

We have since arranged for the establishment, with U.S. participation, of an acceptable research program at the TRR. Safeguards are adequate and we have finally arranged for this disposition of all TRR spent fuel. However, in the interim operation of the TRR continued unabated. The reactor discharged 180 spent fuel rods per year. approximately 2000 rods currently in storage.

The June 1982 agreement covers costs only for the rods deemed to be of Canadian origin. The agreement states that:

"The related costs of each item identified in the spent fuel shipping program will be borne by each responsible party. AIT will be responsible for the total rental costs of the shipping cask(s) of that part of the program related to spent fuel rods of Canadian origin."

paying for costs associated with activities on the Island.

UNITED STATES DEPARTMENT OF STATE REVIEW AUTHORITY: HOWARD H LANGE DECL: OADR

CLASSIFICATION: SECRET REASON: 25X6

DECLASSIFY AFTER: 31 DEC 2027 DATE/CASE ID: 09 OCT 2008 200702086 UNCLASSIFIED as

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Former Taiwan Atomic Energy Council Secretary General Victor Cheng had agreed that allocation of costs for cask rental for the remainder of the project would be discussed after the first shipments had commenced. The probable total cost of the project is around \$100 million. The costs of preparing and shipping the Canadian origin material is about \$20 million, including costs to Taiwan. Under present circumstances, negotiation of the follow-on cost sharing arrangements could be difficult.

Next steps might include informally sounding out the Taiwan authorities on timing for developing an agreement on the next phase of the project. This could be done in the course of discussions which Allen Sessoms expects to have on Taiwan this spring about our cooperative program. Given the many recent and projected changes in the nuclear bureaucracy in Taiwan, laying down a marker such as this in the course of other, very upbeat, discussions might be useful.

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